

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Yellow Corporation aka YRC Worldwide
Inc.,

Debtor.

Chapter 11

Case No. 23-11069-CTG

Jointly administered

Hearing; September 15, 2023 at 11:30 am

Obj. deadline: September 8, 2023 at 4:00 pm

LIMITED OBJECTION OF PEAPACK CAPITAL CORPORATION TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF SALES OF THE DEBTORS' ASSETS; (B) SCHEDULING AN AUCTION AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (C) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; (D) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (II)(A) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES AND (B) APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (III) GRANTING RELATED RELIEF

Peapack Capital Corporation ("PCC"), by and through its attorneys, hereby files this limited objection to the Debtors' *Motion For Entry Of An Order (I)(A) Approving Bidding Procedures For The Sale Of Sales Of The Debtors' Assets; (B) Scheduling An Auction And Approving The Form And Manner Of Notice Thereof; (C) Approving Assumption And Assignment Procedures; (D) Scheduling A Sale Hearing And Approving The Form And Manner Of Notice Thereof; (II)(A) Approving The Sale Of The Debtors' Assets Free And Clear Of All Liens, Claims, Interests And Encumbrances And (B) Approving The Assumption And Assignment Of Executory Contracts And Unexpired Leases; And (III) Granting Related Relief* (the "Motion").

1. Reference is made to PCC's Motion for Relief from the Automatic Stay [Doc. 351] and supporting Affidavit [Doc. 351-1] filed on August 28, 2023 and scheduled to be heard on September 15, 2023 (the "Stay Relief Motion").

2. As set forth in detail in the Stay Relief Motion, PCC owns 950 trailers that it leases to YRC Inc., d/b/a YRC Freight and USF Reddaway Inc. pursuant to a Master Lease with YRC Enterprise Services Inc. All of the Leases¹ expire over the next three months, at which time the Debtor-Lessees must assemble and return the Equipment to PCC, or exercise a right, if still applicable, to purchase the Equipment at a stated percentage of the total equipment costs of over \$9,000,000. The Debtor-Lessees have only a lease interest in the Equipment, which is owned by PCC.

3. The Debtors filed the Motion to approve a process to sell or assign assets without specifically identifying what assets are to be sold or assigned. The Debtors should state whether they intend to sell or assign PCC's Equipment. If an assignment is contemplated, the Debtors must comply with 11 U.S.C. §365(d)(5) by recommencing payments due under the Leases after 60 days from the Petition Date of \$250,449.01 per month. *See* Stay Relief Motion, O'Gorman Affidavit at ¶¶ 8-14.

4. In addition, the Debtors must comply with 11 U.S.C. §365(b) by curing the past due amounts upon assumption. For reference, YRC Inc. and Reddaway failed to make timely monthly payments due under their respective Schedules and the Master Lease as follows: beginning on July 26, 2023 under Schedule 1; as of August 21, 2023 for Schedule 2; as of August 13, 2023 for Schedule 4; and beginning July 27, 2023 for Schedule 5. *Id.* at ¶ 18.

¹ Capitalized terms used herein shall have the meaning given in the Stay Relief Motion except as otherwise specified.

5. Since the filing of the Stay Relief Motion, PCC and the Debtors have entered into discussions regarding a possible return of the Equipment. The parties will keep the Court advised if any agreement can be reached.

Dated: September 8, 2023
Wilmington, Delaware

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